

Frequently Asked Motor Carrier Questions

1. What type of commercial operators must obtain authorization from the Public Utilities Commission ("Commission") to provide transportation services as a motor carrier?

Generally, any person or entity that transports passengers or property for compensation or hire, over the public highways of this State, must obtain authorization from the Commission to be either a common carrier or contract carrier.

2. What is the difference between a common carrier and a contract carrier?

A common carrier is a person or company that provides services to transport property or passengers to the general public.

A contract carrier is a person or company that enters into a contract with another person or company to provide exclusive services to transport property or passengers.

3. Are there any exemptions?

Yes, Hawaii Revised Statutes ("HRS") Section 271-5 describes specific exemptions. If the proposed transportation service is described in any of these exemptions (taxicabs, tow trucks, ambulances, refuse haulers, etc.) it is exempt from Commission regulation.

4. What is the difference between a taxicab and a motor carrier licensed by the Commission?

Generally, a taxicab, which is exempted from Commission regulation, is identified by the dome light that is prominently displayed on the top of the vehicle and its charges are based on the meter reading. Taxicab operations are regulated by the counties of each of the major islands.

A motor carrier authorized by the Commission to operate as either a common carrier or contract carrier must have the name, logo, or initials of the company, and its PUC number prominently displayed on both sides of the vehicle and/or bumpers (for smaller vehicles). A motor carrier licensed by the Commission does not use a taxi meter, does not have a dome light on top of the vehicle, and its charges are based on the rates (transfer rates, tour rates, or hourly rates) filed with and approved by the Commission.

5. How can a person or entity apply for either common carrier or contract carrier authorization?

The application together with complete instructions is available at the Commission's office at 465 South King Street, Room 103, Honolulu, Hawaii or electronically by downloading the information from the Commission's website at <http://www.hawaii.gov/budget/puc/pucformsmainpage.htm>. Please read the instructions very carefully because errors and omissions can delay the processing of the application. Common carrier authorization is reflected by the issuance of a certificate of public convenience and necessity (aka, CPCN). Contract carrier authorization is reflected by the issuance of a permit.

6. Can the application be filed electronically?

No. The Commission presently requires that all applications be mailed to or hand delivered to the Commission's office at 465 South King Street, Room 103, Honolulu, Hawaii, 96813.

7. What is the fee for filing an application for CPCN or permit with the Commission?

The filing fee is \$30 and must be paid at the time the application is filed with the Commission.

8. How many copies of the application must be filed with the Commission?

The Commission requires an original and eight copies.

9. What is the average period between the time an application is filed with the Commission and the time the Commission approves or denies the application?

If the application is complete and there is no intervention, the Commission normally issues a decision and order on the application within 90 to 120 days.

10. Must an applicant acquire a vehicle before the application is approved by the Commission?

No. A vehicle may be purchased or leased after receipt of a decision and order approving the application.

11. What are the different types of passenger carrier authorizations issued by the Commission?

The scope of authority of common carriers of passengers includes at least one of three passenger classifications that are based upon the seating capacity of each vehicle. The three classifications are:

- (1) Motor carriers transporting passengers in motor vehicles with a seating capacity of 1-to-7 passengers, e.g., sedans, limousines;
 - (2) Motor carriers transporting passengers in motor vehicles with a seating capacity of 8-to-25 passengers, e.g., vans, minibuses; and
 - (3) Motor carriers transporting passengers in motor vehicles with a seating capacity of more than 25 passengers, e.g., motorcoaches.
12. What are the different types of property carrier licenses issued by the Commission?

The scope of authority of common carriers of property includes four property classifications that are based upon the type of property transported. The four classifications are:

- (1) Motor carriers transporting general commodities, e.g., bulk commodities, palletized cargo, cartons, packages, tankers, heavy equipment, and shipping containers;
- (2) Motor carriers transporting household goods, e.g., property not for resale that are used in a dwelling, furniture, equipment, and other properties of offices, museums, and other establishments;
- (3) Motor carriers transporting property in dump trucks, e.g., sand, gravel, dirt, rocks, aggregates, and similar commodities that are transported in gravity discharge equipment; and
- (4) Motor carriers transporting specific commodities, e.g., armored car services, livestock, air cargo, dry bulk products, heavy machinery, and construction equipment.

Specific commodities licenses are issued to motor carriers that are interested in specializing in the transportation of a specific commodity. These carriers are not interested in

transporting the wide range of commodities included in the general commodities classification.

13. What are the Commission's minimum automobile liability insurance requirements?

For motor carriers of property, the Commission requires automobile liability insurance for bodily injury or death per person of \$250,000; liability for bodily injury or death per accident of \$750,000; and liability for property damage of \$250,000.

For motor carriers of passengers with operating authority to transport passengers in the 1-to-7 passenger classification, the Commission requires automobile liability insurance for bodily injury or death per person of \$100,000; liability for bodily injury or death per accident of \$200,000; and liability for property damage of \$50,000. The liability for bodily injury or death per accident increases to \$500,000 for motor carriers utilizing vehicles with a seating capacity of 8-to-25 passengers and to \$1,000,000 for motor carriers utilizing vehicles with a seating capacity of over-25 passengers.

14. What is a tariff?

A tariff is a document approved by the Commission that contains the motor carrier's rules and regulations, rates, and charges. All motor carriers are required to publish and file their tariffs with the Commission. There are two options whereby an applicant may satisfy this requirement. First, the carrier can join the Western Motor Tariff Bureau, Inc. or the Hawaii State Certified Common Carriers Association, Inc., either of which will file tariffs on behalf of the carrier and all of its other members.

The second option is for the carrier to publish its own independent tariff. However, the form and content of an independent tariff must comply with requirements set forth in Hawaii Administrative Rules Title 6, Chapter 63.

15. What are the Commission's rules and regulations regarding a properly marked vehicle?

The Commission's regulations require that every vehicle must be marked with: (1) the motor carrier's name, identifying symbol, or initials; and (2) the motor carrier's PUC number.

Motor vehicles with a seating capacity of seven or less passengers may have their name and PUC number on their front and rear bumpers. All other motor vehicles must display their name and PUC number on both sides of the vehicle.

The markings must be painted in contrasting colors and the letters and figures cannot be less than two and one half inches in height and one-quarter inch in width.

16. What are the motor carriers' annual filing requirements?

By April 30 of each year, each motor carrier is required to file an annual financial report of its operations for the previous calendar year. At the same time, every motor carrier must pay to the Commission a fee equal to one-fourth of one per cent of the gross revenues from the carrier's business during the preceding calendar year, or the sum of \$20 whichever is greater. Gross revenues include all revenues received from services connected with or incidental to the transportation of persons or the transportation of property, as defined under section 271-4.

For more information about the Commission's requirements relating to annual financial reports and Public Utility Fees, please see <http://www.hawaii.gov/budget/puc/MotorCarrier/FAQs.pdf>.

17. What is the penalty for violating the Commission's motor carrier laws, rules, regulations, and orders?

Pursuant to HRS § 271-27, the Commission is authorized to issue a citation in the amount of \$1,000 for each violation (plus \$500 every day thereafter for a continuing violation), e.g., operating without a PUC license, expired automobile liability insurance, failure to maintain a tariff, etc. It may also institute proceedings to either suspend or revoke the carrier's authorization.